

WHAT IS CLAIMED IS:

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1. A computer system for providing loans to a participant having assets in a benefit plan comprising:

a processor; and

10 a memory operatively coupled to the processor, the memory including program data for causing the processor to perform the steps of:

15 initializing loan-fund information stored in a computer database upon establishment of a loan fund for the participant, the information initialized with data representing the value of funds derived from the participant's benefit-plan assets and transferred from the benefit plan upon establishment of the loan fund, wherein the loan fund is managed by an investment manager and is recorded in the benefit-plan as an asset of the participant;

20 generating data representing requests to the investment manager to: (i) transfer funds from the loan fund to settle redemptions made by the participant, the participant making redemptions from the loan fund by use of at least one access vehicle; or (ii) accept funds into the loan fund from the participant in repayment of redemptions; and

25 updating the stored loan-fund information with data representing fund transfers from and acceptances into the loan fund, whereby redemptions from and repayments to the participant's loan fund occur without access to the participant's benefit-plan assets.

30 2. The computer system of claim 1 further comprising a communication interface for exchanging data between the computer system and a computer system of the investment manager, and wherein the program data further causes the processor to:

35 update the loan-fund information upon receipt of data from the investment-manager computer system representing funds transfer from or acceptance into the loan fund; and

update the loan-fund information upon receipt of data from the investment-manager computer system representing an accrual of interest into the loan fund.

5 3. The computer system of claim 1 further comprising a communication interface for
exchanging data between the computer system and a computer system of the benefit plan, and
wherein the program data further causes the processor to:

10 initialize the loan-fund information upon receipt of data from the benefit-plan
computer system representing establishment of the loan-fund; and

15 exchange status data with the benefit-plan computer system, wherein the
computer system exchanges at least a representation of a current loan-fund balance,
and wherein the benefit-plan computer system exchanges at least representation of
limitations on the participant's redemptions.

20 4. The computer system of claim 1 further comprising a communication interface for
exchanging data between the computer system and a settlement computer system of a
settlement system that processes uses of the access vehicle, and

25 wherein the program data further causes the processor to generate data
representing a request to transfer funds from the loan fund upon receipt of data from
the access-vehicle-settlement computer system representing a request for settlement
for the participant's uses of the access vehicle.

30 5. The computer system of claim 4 wherein the program data further causes the processor to:

receive data from the access-vehicle-settlement computer system representing
a proposed redemption to be made by a participant's proposed use of the access
vehicle;

35 generate data to the access-vehicle-settlement computer system representing an
authorization of the proposed redemption only if the proposed redemption is less than
or equal to a line of credit (LOC) value; and

generate data to the access-vehicle-settlement computer system representing a
refusal of the proposed redemption only if the proposed redemption is greater than the
LOC value.

6. The computer system of claim 5 wherein the LOC value does not exceed an available loan
5 amount (ALA) value determined in accordance with statute, regulation, or policy in dependence on the participant's benefit-plan assets, wherein the determination preserves a tax-advantaged treatment of the participant's redemptions.
- 10 7. The computer system of claim 5 wherein the program data further causes the processor to:
receive data from the access-vehicle-settlement computer system representing at least one redemption by the participant made by a use of the access vehicle; and update data representing the LOC value in response to the received data by decreasing the LOC value by the total value of the redemptions.
- 15 8. The computer system of claim 1 further comprising a communication interface for exchanging data between the computer system and a computer system of a funds-acceptance provider, wherein the program data further causes the processor, upon receipt of data from the funds-acceptance-provider computer system representing the participant's payment of funds to the funds-acceptance provider, to generate data representing a request for acceptance of funds into the loan fund.
- 20 9. The computer system of claim 1 wherein the access vehicle includes a check, or a credit card, or a debit card, or an ACH transfer, or a wire transfer, or a sweep, or an ATM.
- 25 10. The computer system of claim 1 wherein the program data further causes the processor to generate data representing loan-fund statement information for informing the participant of required repayment amounts and times.
- 30 11. The computer system of claim 10 wherein the required repayment amounts and times are determined in dependence on the total redemptions that have not yet been repaid and in accordance with statute, regulation, or policy to preserve tax-advantaged treatment of the participant's redemptions.
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12. The computer system of claim 10 wherein the generated data is transmitted to the
5 participant by means of the Internet network or a telephone network.
13. The computer system of claim 1 wherein the program data further causes the processor,
upon receipt of data representing a participant request, to generate data representing loan-fund
status for informing the participant of recent redemptions, or loan-fund balance, or required
10 repayments.
14. The computer system of claim 1 wherein the generated data is periodically transmitted as
messages grouped into computer files.
15. A computer-implemented method for providing loans to a participant having assets in a
benefit plan comprising:
- 20 initializing loan-fund information stored in a computer database upon
establishment of a loan fund for the participant, the information initialized with data
representing the value of funds derived from the participant's benefit-plan assets and
transferred from the benefit plan upon establishment of the loan fund, wherein the
loan fund is managed by an investment manager and is recorded in the benefit-plan as
an asset of the participant;
- 25 generating data representing requests to the investment manager to: (i) transfer
funds from the loan fund to settle redemptions made by the participant by use of at
least one access vehicle; or (ii) accept funds into the loan fund from the participant in
repayment of redemptions; and
- 30 updating the stored loan-fund information with data representing fund
transfers from and acceptances into the loan fund, whereby redemptions from and
repayments to the participant's loan fund occur without access to the participant's
benefit-plan assets.
- 35 16. The computer-implemented method of claim 15 wherein the loan-fund information
comprises data representing at least a loan-fund balance.

- 5 17. The computer-implemented method of claim 16 wherein loan-fund balance is updated in
response to receipt of data from the investment-manager computer system representing funds
transfer from or acceptance into the loan fund.
- 10 18. The computer-implemented method of claim 16 further comprising the steps of:
generating data for the benefit-plan computer system representing the current
loan-fund balance for the benefit plan; and
receiving data from the benefit-plan computer system representing the
limitations on the participant's redemptions.
- 15 19. The computer-implemented method of claim 15 further comprising a step of generating
data representing a request for acceptance of funds into the loan fund from a funds-acceptance
provider in response to receipt of data representing the participant's repayment of funds to the
funds-acceptance provider.
- 20 20. The computer-implemented method of claim 15 further comprising a step of receiving
data representing settlement requests from a settlement system that processes uses of the
access vehicle, and wherein data representing requests to transfer funds from the loan fund to
settle redemptions is generated in response to receipt of request data from the access-vehicle-
settlement system.
- 25 21. The computer-implemented method of claim 20 further comprising the steps of:
receiving data from the access-vehicle-settlement computer system
representing at least one redemption by the participant made by a use of the access
vehicle; and
updating data representing an LOC value in response to the received data by
decreasing the LOC value by the total value of the redemptions that have not been
repaid.

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22. The computer-implemented method of claim 20 further comprising the steps of:

- 5 receiving data from the access-vehicle-settlement system representing a proposed redemption to be made by a participant's proposed use of the access vehicle;
- 10 generate data to the access-vehicle-settlement system representing an authorization of the proposed redemption only if the proposed redemption is less than or equal to a line of credit (LOC) value; and
- 10 generate data to the access-vehicle-settlement system representing a refusal of the proposed redemption only if the proposed redemption is greater than the LOC value.

15 23. The computer-implemented method of claim 22 wherein the LOC value does not exceed an available loan amount (ALA) value determined in accordance with statute, regulation, or policy in dependence on the participant's vested benefit-plan assets, wherein the determination preserves a tax-advantaged treatment of the participant's redemptions.

20 24. The computer-implemented method of claim 16 wherein the loan-fund balance is further updated in response to receipt of data from the investment-manager computer system representing a repayment or a fee posted to the loan fund.

25 25. The computer-implemented method of claim 15 further comprising a step of generating data representing loan-fund statement information for informing the participant of required repayment amounts and times.

26. The computer-implemented method of claim 25 wherein the required repayment amounts
30 and times are determined in dependence on the total redemptions that have not yet been repaid and in accordance with statute, regulation, or policy to preserve tax-advantaged treatment of the participant's redemptions.

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27. The computer-implemented method of claim 15 wherein the access vehicle includes a
5 check, or a credit card, or a debit card, or an ACH transfer, or a wire transfer, or a sweep, or
an ATM.
28. The computer-implemented method of claim 15 wherein the generated data is periodically
transmitted as messages grouped into computer files
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29. The computer-implemented method of claim 15 wherein loans are provided to a plurality
of participants, each participant having assets in the benefit plan.
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30. A program product comprising a computer readable medium having encoded program
data for causing a computer to perform the steps of claim 15.
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31. A method for providing loans to a participant having assets in a benefit plan comprising:
establishing a loan fund for the participant with funds transferred from the
benefit plan, wherein transferred funds are derived from the participant's benefit-plan
assets, and wherein the loan fund is managed by an investment manager and is
recorded in the benefit-plan as an asset of the participant;
requesting the investment manager to transfer funds from the loan fund to
settle redemptions made by the participant, the participant making redemptions from
the loan fund by use of at least one access vehicle; and
requesting the investment manager to accept funds into the loan fund from the
participant in repayment of redemptions, whereby redemptions from and repayments
to the participant's loan fund occur without access to the participant's benefit-plan
30 assets.
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32. The method of claim 31 wherein the step of establishing further comprises requesting the
benefit plan to transfer funds to the loan fund.
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33. The method of claim 31 wherein the value of the funds transferred from the benefit plan is
5 less than the value of participant's vested assets in the benefit plan.

34. The method of claim 31 wherein the participant's benefit-plan assets further comprise a stock, or a bond, or a mutual fund share, or a money market fund share, or a bank deposit, or a financial instrument.
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35. The method of claim 31 wherein the access vehicle includes a check, or a credit card, or a debit card, or a wire transfer, or an ACH, or a sweep, or an ATM.
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36. The method of claim 31 wherein the participant makes a plurality of redemptions from the loan fund by a plurality of uses of the access vehicle.
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37. The method of claim 31 further comprising a step of authorizing a participant's proposed redemption from the loan fund only if the total of the proposed redemption and past redemptions that have not yet been repaid is equal to or less than an available line of credit (LOC) value determined for the participant.
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38. The method of claim 37 wherein the LOC value is equal to or less than an available loan amount (ALA) value which depends upon the value of the participant's vested assets in the benefit plan.
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39. The method of claim 31 wherein the loan fund further comprises information representing a loan-fund balance, and further comprising the steps of:
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updating the loan-fund balance by: (i) increasing the balance upon receipt of funds transferred from the benefit plan or repaid by the participant, and (ii) decreasing the balance upon transferal of funds for settlement of redemptions; and sending periodically to the benefit plan of information representing the current loan-fund balance.
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40. The method of claim 39 wherein the information periodically sent to the benefit plan
5 further represents the value of the amounts due from the participant.

41. The method of claim 31 wherein the loan-information is further updated when the
investment manager accrues into the loan fund dividends earned on the loan fund or interest
paid by the participant on redemptions from the loan fund.
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42. The method of claim 31 wherein the steps of establishing, or requesting funds transfer
from, or requesting funds acceptance into are performed in accordance with statute,
regulation, or policy to preserve tax-advantaged treatment of the participant's redemptions.
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43. The method of claim 42 wherein the statute, regulation, or policy includes one or more of
the provisions of 26 U.S.C. §§ 1 and 401 *et seq.*, and 29 U.S.C. § 1001 *et seq.* and any other
similar programs.
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44. The method of claim 31 wherein, upon establishment, the loan fund is structured as a sub-
custodian or a sub-trust of the benefit plan.
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45. A computer system for providing loans to a participant having assets in a benefit plan
comprising:
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computer processor means;

computer database means operatively coupled to the computer processor
means;

program means for causing the processor means to initialize loan-fund
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information representing a loan-fund balance stored in the computer database means
upon establishment of a loan fund for the participant, the information initialized with
data representing the value of funds derived from the participant's benefit-plan assets
and transferred from the benefit plan upon establishment of the loan fund, wherein the
loan fund is managed by an investment manager and is recorded in the benefit-plan as
35 an asset of the participant;

5 program means for causing the processor means to generate data representing requests to the investment manager to: (i) transfer funds from the loan fund to settle redemptions made by the participant; or (ii) accept funds into the loan fund from the participant in repayment of redemptions; and

10 program means for causing the processor means to update the stored loan-fund information with data representing fund transfers from and acceptances into the loan fund, whereby redemptions from and repayments to the participant's loan fund occur without access to the participant's benefit-plan assets.

46. The computer system of claim 45 further comprising:

15 program means for causing the processor means to generate data for the benefit-plan computer system representing the current loan-fund balance for the benefit plan, and

20 program means for causing the processor means to receive data from the benefit-plan computer system representing the limitations on the participant's redemptions.

25 47. The computer system of claim 45 further comprising program means for causing the processor means to generate data representing a request for acceptance of funds into the loan fund from a funds-acceptance provider in response to receipt of data representing the participant's repayment of funds to the funds-acceptance provider.

48. The computer system of claim 45 further comprising program means for causing the processor means to receive data representing settlement requests from a settlement system
30 that processes uses of an access vehicle, and wherein data representing requests to transfer funds from the loan fund to settle redemptions is generated in response to receipt of request data from the access-vehicle-settlement system.

35 49. The computer system of claim 48 further comprising:

5 program means for causing the processor means to receive data from an access-vehicle-settlement computer system representing at least one redemption by the participant made by a use of the access vehicle; and

10 program means for causing the processor means to update data representing an LOC value in response to the received data by decreasing the LOC value by the total value of the redemptions that have not been repaid.

15 50. The computer system of claim 48 further comprising:

program means for causing the processor means to receive data from the access-vehicle-settlement system representing a proposed redemption to be made by a participant's proposed use of the access vehicle;

17 program means for causing the processor means to generate data to the access-vehicle-settlement system representing an authorization of the proposed redemption only if the proposed redemption is less than or equal to a line of credit (LOC) value; and

20 program means for causing the processor means to generate data to the access-vehicle-settlement system representing a refusal of the proposed redemption only if the proposed redemption is greater than the LOC value.

25 51. The computer system of claim 45 further comprising program means for causing the processor means to generate data representing loan-fund statement for informing the participant of required repayment amounts and times.

52. The system of claim 8 wherein the program data further causes the processor to:

30 receive data from funds-acceptance-provider computer system representing at least one payment by the participant; and

update data representing the LOC value in response to the received data by increasing the LOC value by the value of the payment.

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53. The computer system of claim 3 wherein the program data further causes the processor to
5 generate data representing a transfer to the participant's benefit-plan assets of accrued interest
paid by the participant on redemptions from the loan fund.

54. The computer system of claim 3 wherein the program data further causes the processor to
generate data representing a transfer to the participant's benefit-plan assets of accrued
10 dividend funds earned on the loan fund.

55. The computer-implemented method of claim 15 further comprising updating the loan-
fund information in response to receipt of data from the investment-manager computer
15 system representing posting of (i) interest paid by the participant on redemptions from the
loan fund, or (ii) of dividends earned on the loan fund.

56. The computer-implemented method of claim 55 further comprising generating data
representing a transfer of an interest paid or a dividend earned to the participant's benefit plan
20 assets.

57. The method of claim 41 further comprising requesting the investment manager to transfer
accrued dividend and interest funds from the loan fund to the benefit plan.

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